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U.S. DISTRICT COURT E.D.N.Y.

★ JUN 11 2020 ★

ALB:BTK
F. #2019R00077

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

- against -

ARKADIY KHAIMOV,
also known as "Alex,"

Defendant.

COMPLAINT AND
AFFIDAVIT IN SUPPORT
OF ARREST WARRANT

(18 U.S.C. § 1349)

(TO BE FILED UNDER SEAL)

20-MJ-433

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EASTERN DISTRICT OF NEW YORK, SS:

JOSEPH MARCUS, being duly sworn, deposes and states that he is a Postal Inspector with the United States Postal Inspection Service, duly appointed according to law and acting as such.

In or about and between December 2017 and July 2018, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ARKADIY KHAIMOV, also known as "Alex," together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud John Doe Company 1 and John Doe Company 2, two corporations the identities of which are known to the United States Attorney, and to obtain money and property from them, by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, (a) to place in authorized depositories for mail matter to be delivered by the United States Postal Service, and cause to be deposited to be sent by private and commercial carriers, and taken and received therefrom, mail matter, contrary to

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Title 18, United States Code, Section 1341, and (b) to transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

The source of your deponent's information and the grounds for his belief are as follows:¹

1. I am a Postal Inspector with the United States Postal Inspection Service ("USPIS") and have been involved in the investigation of numerous cases involving mail fraud, wire fraud and conspiracy to commit mail and wire fraud. I am familiar with the facts and circumstances set forth below from my participation in the investigation; my review of the investigative file, including the defendant's criminal history record; and from reports of other law enforcement officers involved in the investigation.

The Defendant and His "Pharmacies"

2. At all times relevant to this Complaint, the defendant ARKADIY KHAIMOV, also known as "Alex," was a resident of Queens County, New York.

3. Between approximately December 2017 and July 2018, both dates being approximate and inclusive, the defendant ARKADIY KHAIMOV, also known as "Alex," together with others, operated purported pharmacies including: Pharmacy 1, the identity of which is known to the United States Attorney and which was based in Queens, New York; Pharmacy 2, the identity of which is known to the United States Attorney and

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

which was based in Queens, New York; and Pharmacy 3, the identity of which is known to the United States Attorney and which was based in New York, New York.

The Co-Pay Coupon Program

4. John Doe Company 1, a corporation the identity of which is known to the United States Attorney, was a pharmaceutical manufacturer that was based in California.

5. On or about and between October 2016 and the present, John Doe Company 1 manufactured a prescription drug, the identity of which is known known to the United States Attorney (the “medication”).

6. On or about and between October 2016 and the present, John Doe Company 1 operated a Co-pay Coupon Program (the “Co-pay Program”), which was designed to reduce the cost of purchasing the medication and provide reimbursement to pharmacies participating in the program, which purchased the medication and dispensed it to consumers.

7. John Doe Company 2, a Texas-based corporation, the identity of which is known to the United States Attorney, administered the Co-pay Program on behalf of John Doe Company 1. Pharmacies participating in the Co-pay Program would submit reimbursement claims through John Doe Company 2’s internet servers or call centers, all of which were located outside of the State of New York. To process claims under the Co-Pay Program, John Doe 2 would cause checks to be mailed to pharmacies seeking reimbursement for participating in the program.

Pharmacy 1’s Fraudulent Co-pay Program Claims

8. In or about and between December 2017 and May 2018, the defendant ARKADIY KHAIMOV, also known as “Alex,” worked with Co-conspirator 1, an individual

whose identity is known to the United States Attorney, and John Doe 1, an individual whose identity is known to the United States Attorney, to defraud John Doe Company 1 and John Doe Company 2 by submitting fraudulent Co-pay Program Claims.

9. Through Co-conspirator 1's communications with the defendant ARKADIY KHAIMOV, also known as "Alex," some of which occurred while Co-conspirator 1 was present in Nassau County, New York, Co-conspirator 1 learned, in substance, that KHAIMOV, together with others, was engaged in a scheme to defraud John Doe Company 1 and John Doe Company 2 of Co-pay Program payments. In furtherance of this scheme, the defendant ARKADIY KHAIMOV, also known as "Alex," together with others, agreed to pay John Doe 1 for John Doe 1's personal identifying information and a stamp, bearing John Doe 1's signature, so that KHAIMOV and others could prepare documents that purported to show that John Doe 1 was the owner of Pharmacy 1 when, in truth and in fact, KHAIMOV knew that John Doe 1 had no involvement in Pharmacy 1's operations.

10. Data obtained from John Doe Company 2 demonstrated that Pharmacy 1's Co-pay Program claims were fraudulently manipulated to obtain maximum amounts of reimbursements. For example, while the medication is typically given in a 28-day supply, Pharmacy 1 exclusively sought reimbursement under the Co-pay Program for 18-day or 21-day supplies of the medication, which would allow for two reimbursement claims to be submitted within approximately one-month. Some of the purported prescriptions for the medication used to justify these claims were allegedly issued by a physician, whose identity is known to the United States Attorney, who had an office located in Nassau County, New York.

11. On or about May 1, 2018, the defendant ARKADIY KHAIMOV, also known as “Alex,” together with others, caused an approximately \$3.5 million check from John Doe Company 2, which was issued to Pharmacy 1 based upon fraudulent Co-pay Program claims to be deposited into a JP Morgan Chase Bank Account that was established in John Doe 1’s name (the “Chase Account”). On or about and between May 2 and May 3, 2018, approximately nine checks, totaling approximately \$2.4 million, were drawn on the Chase Account and made payable to various entities, including a \$231,372.50 check issued to John Doe Company 3, a corporation the identity of which is known to the United States Attorney, which was based in Albertson, New York. On or about May 11, 2018, about nine days after the check issued to John Doe Company 3 was deposited into John Doe Company 3’s Bank of America account, that account was closed and all funds, including the \$231,372.50 that were deposited based upon fraudulent Co-pay Program claims were withdrawn. In addition, on or about May 2, 2018, a \$500,000 check was drawn on the Chase Account and made payable to John Doe Company 4, the identity of which is known to the United States Attorney, and deposited into a bank account held in the name of John Doe Company 4 that the defendant ARKADIY KHAIMOV, also known as “Alex,” established. These checks were issued and negotiated before a stop payment order that John Doe Company 2 issued with respect to the approximately \$3.5 million check became effective.

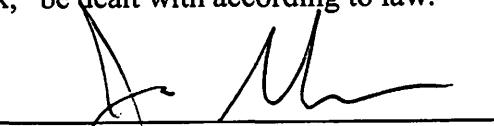
Pharmacy 2 and 3’s Fraudulent Copay Program Claims

12. In or about February 2017, Co-conspirator 2, an individual who is known to the United States Attorney, agreed with the defendant ARKADIY KHAIMOV, also known as “Alex,” to defraud John Doe Company 1 and John Doe Company 2 of Co-pay Program Payments. In furtherance of the scheme, and in exchange for a share of the

fraudulently obtained proceeds, Co-conspirator 2 provided KHAIMOV with access to Pharmacy 2 and 3's computer systems, knowing that KHAIMOV, together with others, would submit fraudulent Co-pay Program claims to John Doe Company 2 based upon amounts of the medication that Pharmacy 2 and 3 never actually dispensed.

13. Thereafter, in or about and between February 2017 and January 2018, the defendant ARKADIY KHAIMOV, also known as "Alex," together with others, used Pharmacy 2 and 3's computer systems to submit fraudulent Co-pay Program claims to John Doe Company 2 for approximately \$4.4 million. Similar to Pharmacy 1's fraudulent Co-pay Program claims, Pharmacy 2 and Pharmacy 3's claims were made exclusively for 18-day supplies of the medication, a dosage that is not typically used as a treatment protocol, but that would allow for the submission of two Co-pay Program claims within an approximately one-month period. After John Doe Company 2 mailed checks to Pharmacy 2 and Pharmacy 3 based upon these fraudulent claims, Co-conspirator 2 deposited the checks into bank accounts that Co-conspirator 2 controlled. Thereafter, based upon KHAIMOV's directions, some of which were included in text messages that KHAIMOV exchanged with Co-conspirator 2, Co-conspirator 2 would issue checks from those accounts to various entities that, in truth and in fact, conducted no business with Pharmacy 2 or Pharmacy 3 and thereby liquidate the majority of the fraudulent Co-pay Program payments that John Doe Company 2 made to Pharmacy 2 and Pharmacy 3.

WHEREFORE, your deponent respectfully requests that the defendant
ARKADIY KHAIMOV, also known as "Alex," be dealt with according to law.


JOSEPH MARCUS
Postal Inspector, United States Postal Inspection
Service

Sworn to before me this
11th day of June, 2020


THE HONORABLE ANNE Y. SHIELDS
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK